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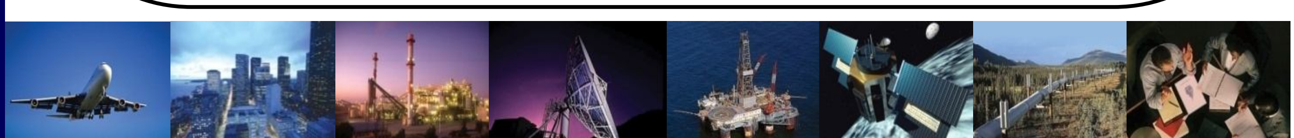

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ON "WRITE" SIDE

Business Interruption Insurance-III

Sanjiv Shanbhag

6. **SELECTION OF COVER**

The main cover is for Gross Profit under the Business Interruption Insurance Policy. If all Wages are included in the Gross Profit, then separate cover for Wages is not necessary. If Wages are not included, several options are available to cover Wages.

The following aspects need to be considered while determining the amount of Gross Profit to be declared at the time of insurance:-

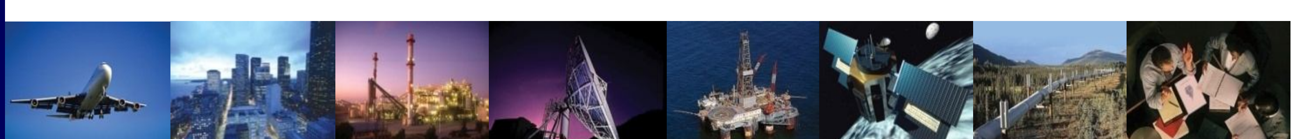
(i) The Gross Profit definition to be considered is "Additions Basis", i.e. Net Profit plus Insured Standing Charges.

(ii) While considering Net Profit, all capital accretions and incomes of capital nature are to be excluded.

(iii) All Standing Charges, i.e. expenses or overheads of fully or partly non-variable nature, which would continue to be incurred during any interruption – big or small – in business, should be considered and listed.

(iv) For all policies having a Period of Indemnity of 12 months or less, the Sum Insured for Gross Profit has to be the estimated Annual Gross Profit. For Policies having a Period of Indemnity higher than 12 months, the Sum Insured on Gross Profit has to be proportionately increased. For example, for 24 months' Period of Indemnity, the Sum Insured has to be twice the Annual Gross Profit.

(v) In estimating the Sum Insured for Gross Profit, it must be kept in mind that the loss could take place on the 364th day of the Policy. With an Indemnity Period of 12 months, the Loss of Profits would thus extend into the whole of next year. This means that the Sum Insured for Gross Profit should not be limited to the estimate of Gross Profit for the Policy year, but also for the next year. If the Indemnity Period is longer than 12 months, the estimate should be extended for the longer period accordingly.



(vi) 50% Refund Clause is applicable to the Policy thereby allowing the Insured to ultimately pay only the premium calculated on actual Gross Profit earned during the year as determined from the Audited Accounts. A liberal declaration of Sum Insured on Gross Profit would thus enable the Insured to take full advantage of the increase in trend of business, variations and special circumstances of business.

In India, generally the Business Interruption Insurance Policy on Gross Profit is issued with the definition of Gross Profit as Specified Standing Charges plus Net Profit or Specified Standing Charges minus Net Loss. This is known as Additions Method. In some of the other countries, Difference Method is also adopted as an alternative to the Additions Method, which ought to arrive at the same quantum of Gross Profit. Under this method, from the Turnover, after due adjustment on account of varying figures of opening and closing stock values, named variable expenses or uninsured working expenses are deducted to arrive at the Gross Profit.

There are certain advantages in the said Difference Method, which are described below:-

(i) The definition of “Gross Profit” is much simpler and easily understood as “gross margin” or “contribution” in accounts and requires to be insured.

(ii) The calculation of the “Gross Profit” is quite simple.

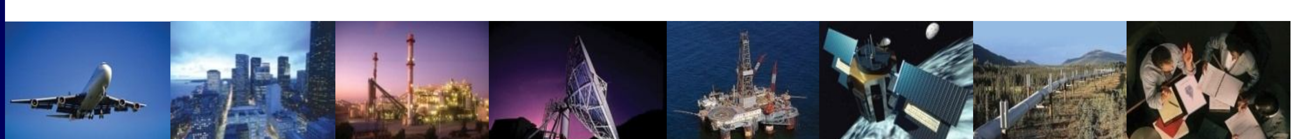
(iii) The list of uninsured working expenses is much smaller than the list of Insured Standing Charges. Such a list can be easily verified to ascertain any errors or omissions.

(iv) Definition of “net profit” and disclosure of “net profit” are not required.

(v) Memo 2, providing for prorata adjustment on increase in cost of working for uninsured standing charges, is redundant and is avoided.

(vi) The Auditors’ Certificate for premium refund purposes becomes simple and short.

(vii) Usual periodical accounts would reveal enough information about “contribution” or “gross profit” for the Insured to enable them to increase the sum insured without any delay, when necessary.



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(viii) No changes are required in the Policy, when new standing charges arise or when some standing charges are redefined. Exceptional charges are automatically included, while inclusion of “miscellaneous standing charges” is avoided.

The variable expenses or uninsured working expenses will normally include purchase of raw materials, cost of power, fuel and utilities, cost of carriage, packing, outward freight, excise and other duties and taxes related directly to output/turnover, etc. This presumes all employees’ wages, benefits, etc. to be standing charges.

Apparently, the Difference Method would bring out an identical result compared to Additions Method, if all standing charges are correctly listed and specified.

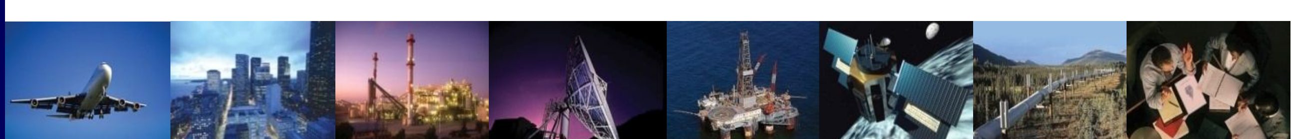
In view of the circumstances of cordial industrial relations with employees, it is essential that an adequate cover for salaries, wages, etc. is obtained. The most satisfactory method is to treat the entire employee cost as a Standing Charge, fully insure it and in the event of any interruption continue to pay the full cost to obtain full indemnity. This is a high cost proposition and therefore a few alternate methods of cover are available. These methods deem salaries and benefits of permanent employees as Standing Charges leaving the balance to be covered separately as under:-

(i) Full wages for a limited period of indemnity.

(ii) Cover for statutory / regulatory legal liability of lay-off and/or retrenchment compensation.

(iii) Dual Wages Cover, i.e. 100% wages cover for minimum first 4 weeks and a designated %age cover for the balance period of indemnity. The first two covers are very limited insurances and the third cover is more prevalent due to provisos like (a) option to consolidate the period and (b) carry-over of savings. These provisos are used only at the time of any claim and therefore can be used to a great advantage by the Insured.

A further cover is available for Auditors’ Fees which may become payable to the Insured’s Auditors for producing and certifying any particulars or details contained in the Insured’s books of accounts, etc. as may be required by the Insurers. Normally all expenses incurred by the Insured to prove their claim have to be borne by the Insured. However, this additional cover allows reimbursement of Auditor’s Charges paid for such proof of claim. In order to provide adequate cover, the Sum Insured selected may be the annual statutory audit fee (including travel and other incidental expenses), where the specified Indemnity Period is 12 months or less and to be suitably increased for enhanced Indemnity Period.



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7. SELECTION OF ADDITIONAL CLAUSES

In many businesses, multiple products are manufactured in different plants. The activities and the profitability being separate, the effect of any interruption could vary in the various activities. In order to ensure a correct indemnity, where separate costs/profits records are available, the Departmental Clause can be made applicable. This enables the indemnity to be worked out each Department-wise.

For Policies on Turnover Basis, it is advisable to have Stock Accumulation Clause made applicable to the Business Interruption Insurance Policy. There is no extra premium involved in this additional Clause application. It is normal for any business to have some stock of finished goods on hand and this may help in maintaining sales at pre-damage levels for a limited time. In claims of short outages of production facilities, sale of such stocks may result in no reduction in turnover precluding any claim recovery. In such cases, there is a temporary reduction in the finished goods inventory, which may reduce the inventory carrying costs to some extent. However, there may be interruptions of large periods, even beyond the specified period of indemnity. In these cases, in the initial period, when sales are made from finished goods inventory, the claim is reduced. However, in the period beyond the specified Indemnity Period, if the sales are affected due to lack of finished goods inventory, the Insured will not get any claim for such reduction in Turnover as it takes place outside the Specified Indemnity Period. Accumulated Stocks Clause is therefore devised to provide Indemnity to the Insured subject to the reduction in turnover being delayed beyond the Specified Indemnity Period and subject to the limit of the indemnity being the benefit accrued to the Insurers by Sales in the initial period from finished goods inventory on the date of damage. Thus, at a later date, reduction in turnover must be shown due to the lack of finished goods inventory and that the limit of such a claim can only be upto the benefit accrued to the Insurers in the initial period by the sale of accumulated stocks. This Clause and its ramifications are construed to make adjustments to the loss incurred during the period of interruption without any loss in the period beyond the Specified Indemnity Period. This Clause in effect extends the specified period of Indemnity to cover the reduction in Turnover actually incurred later. In normal practice, this Clause is allowed to be made applicable only when the Specified Period of Indemnity is twelve months or more.

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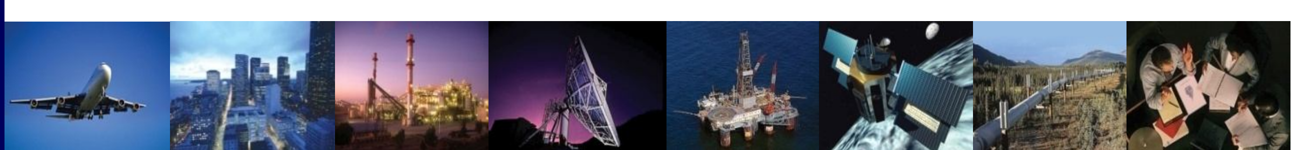

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INTERNATIONAL

GLOBAL CONCERNS FOR INSURERS

At the International Insurance Society's (IIS) annual Seminar held in Seoul, Korea in June 2013, Towers Watson led a discussion of major issues facing the insurance executives based on those identified in its recent “Insurance Industry Megatrends” Survey.

The Survey, which was conducted in cooperation with IIS with more than 500 global insurance executives prior to the seminar, was intended to identify the trends of greatest concern and understand how the executives were preparing to respond over the next two and five years.

The areas of greatest concern include capital management challenges (66 %) and regulatory changes (61 %); 67 % said they were well prepared to deal with capital management, and 63 % said they were well prepared for regulatory changes.

Over the longer term, other issues were demographic aging trends, big data, social media and attracting & retaining talent.

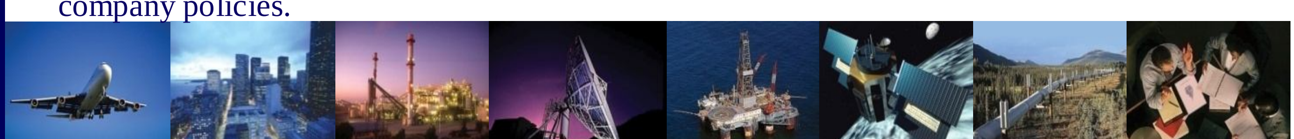
At the IIS Conference, more than 400 IIS seminar participants participated in a separate survey, sponsored by ACORD, about issues facing the industry. The results of the two surveys tracked closely, identifying changing regulatory requirements and capital management/asset-liability management as leading concerns.

63 % of the survey participants were Asian, 15 % European and 14 % North American; people from Latin America, Africa and the Middle East made up the remaining 8 %.

IIS asked whether current market conditions and profitability were most likely to improve (31 %), worsen (35 %) or stay the same (34 %) in the future. Another question asked whether skeptics were overreacting to environmental concerns resulted in 65 % either strongly disagreeing (36 %) or somewhat disagreeing (29 %).

According to the IIS Survey, the top issues facing the industry were competitive price / adequate profitability (31%), asset / liability management (18%) and multiple/inconsistent regulatory standards (14%). The greatest threats included regulatory challenges (30%) and capital constraints (20%).

Regulatory concerns vary by region, but the persistently low interest-rate environment and regulatory concerns about assuring adequate capital to maintain solvency have made capital management and asset-liability management the leading concern. Slow global economic recovery and uncertainty cloud judgments about how to respond to these key issues with company policies.



Among non-life insurers, the top concerns include risk management/ERM (27%), regulation and reporting requirements (17%) and catastrophe loss trends (17%). Last year, the top non-life issues were inadequate premium (31%) and risk management/ERM (23%).

The Towers Watson Survey identified the need to prepare for big data, social media and talent management. Among life insurers, top concerns included identifying investment opportunities to meet benefit demands (32 %) and regulatory and rating agency requirements (13 %). These results were consistent with last year’s survey.

INSURANCE ACCOUNTING STANDARD RE-EXPOSED

On 20th June 2013, the International Accounting Standards Board (IASB) released the much anticipated Exposure Draft for Insurance Contracts, in an effort to finalise the Insurance Accounting Standard - particularly one where there has been little international consistency.

The IASB has been working on this project for a number of years with the aim to standardise the Insurance Accounting Standard globally. It is expected that Phase II of the Insurance Project will ideally replace the current International Financial Reporting Standard (IFRS), known as the Insurance Contracts Standard. It is anticipated that the new Standard will eliminate the current inconsistencies of insurers globally, thereby contributing to a single IFRS for all insurers to apply.

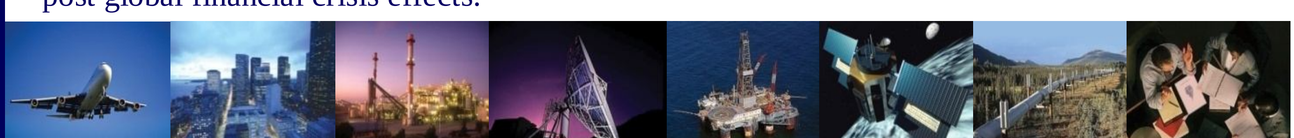
Phase I, dates back to as early as 2001 when the IASB began its work on the Insurance Project. A new Standard has been long overdue and that this has resulted in accounting mismatches as well as financial information that is in certain respects impossible to adopt - even to the most expert of users.

Currently, some insurers are even diverging from standard practices when dealing with more complex insurance contracts. This often results in investors and stakeholders being challenged in accurately valuing and making comparisons between insurers.

The focus of the Exposure Draft in this round is regarding the following areas:-

the proposed Measurement Model for Insurance Contracts;
treatment of participating Contracts;
treatment of the unearned profit in an Insurance Contract;
the presentation of the effect of changes in the discount rate, in other comprehensive income;
and the transition phase for insurers.

The main issue is the extent to which current interest rates should be used to calculate an insurer's liability. The world as it is today has faced a low interest rate environment due to the post global financial crisis effects.



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Another issue highlighted by the International Monetary Fund (IMF) is that fair value accounting, if properly implemented, will likely make more explicit the redistribution of risks over time that is being done by insurers almost as a by-product of their core business of risk pooling, and could improve the pricing of those risks.

The IASB has issued the Exposure Draft for comments until 25th October 2013 and plans to conduct some field work during the comment period. The results of the field work together with the comment letter submissions will inform the IASB's deliberations in finally completing the Insurance Contracts Standard.

Investors and shareholders are alerted to the fact that international developments resulting in changing timelines for Solvency II has also pushed out the timeline for the complete implementation of Solvency Assessment and Management to 2016. It is also an ideal time for insurers to turn changes and challenges they face into real opportunities for growth, innovation and globalisation.

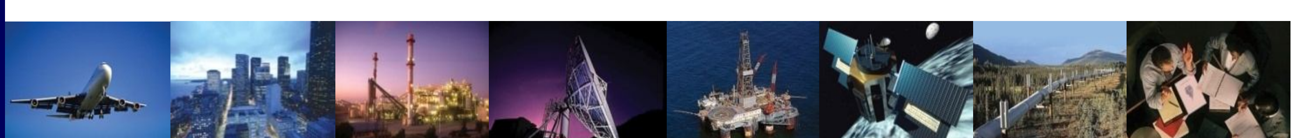
The International Accounting Standards Board's (IASB) revised Exposure Draft “Insurance Contracts” is part of the IASB's ongoing Insurance Contracts Project and another key step on the road to global consistency of financial reporting by insurers.

The Board has put much effort into addressing the issues raised around its previous proposals from July 2010, including major concerns for increased earnings volatility and changes in the presentation of the statement of comprehensive income. Furthermore, the IASB seems determined to complete this Project considering today's issues with the existing Accounting Standard on Insurance Contracts.

The revised Exposure Draft has been developed through joint discussions with the Financial Accounting Standards Board (FASB). However, at this stage, there is no expectation that the two Boards ultimately will fully converge on their proposals and the FASB may issue its own Exposure Draft shortly.

The proposals aim to mitigate the potential for earnings volatility, bring consistency and a better understanding of how companies account for Insurance Contracts. However, these proposals also bring potentially significant operational challenges and introduce more complexity.

Companies will need to look at the proposed model for insurance liabilities in the context of the broader, shifting reporting landscape. When considered alongside other financial and regulatory reporting changes, and continuing economic and cost pressures, the challenge for finance functions in the coming years will be substantial. While the effective date of a final standard is unlikely to be before 2018, the work needed to prepare should not be underestimated.



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It is hoped that the final Standard will be out in 2014. And while the IASB has responded to the industry's requirement to allow ample time to implement, companies will need to take advantage of the 'run up' to effectively assess and plan for the changes ahead. Insurers should start looking at the implications now. Insurers should increasingly address more complex and converging regulatory issues that challenge their risk management approaches, operations and financial reporting practices. The proposals from the IASB are set to have a significant impact on insurers - they fundamentally change the accounting by all entities that issue Insurance Contracts. Combined with regulatory changes such as Solvency II, adopting this new Standard will be a significant challenge for the industry. As a consequence, insurers will need to overhaul their systems and performance reporting. The industry is expected to have mixed views on the revised proposals. The IASB has attempted to address the concerns raised on prior proposals regarding volatility in insurers' reported results. However, the changes will add significant complexity compared to the previous Exposure Draft. Nevertheless, insurers should welcome the revised Exposure Draft as a significant step towards achieving a single accounting model, which will enable better global comparability.

Due to delays in the project many insurers have lost interest, however this could be the last opportunity for the industry to influence the debate before the expected effective date of 2018. Insurers need to act now in assessing the implications of the new proposals on both their contracts and business practices and to assess the additional demands of the proposals on resources, data and modelling systems.

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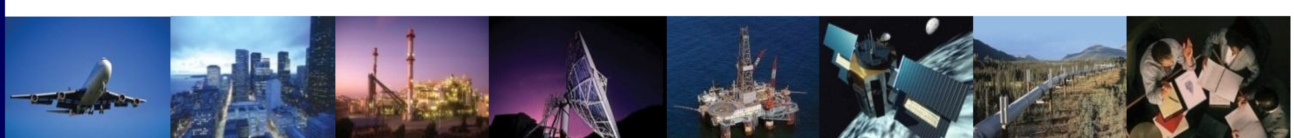
This may be the last time insurers have an opportunity to comment on the proposals. Insurance companies will need to understand the impact on financials and business operations to provide effective feedback, and help the Board in shaping the final standard. Insurers and users face a huge task in reaching this understanding within the upcoming four-month comment period.



The revised Draft of the International Accounting Standards Board’s Insurance Contract proposals goes a long way towards addressing the concerns raised by insurers since the original draft in 2010.

While a number of critical areas require further development to reflect the Asset-Liability Management that is fundamental to insurance business, the final Standard should clearly reflect this Business Model, in which insurance liabilities and related financial assets are managed together.

Accounting requirements that deal with individual components in isolation, resulting in different measurement and presentation requirements do not adequately reflect our performance in earnings.

For insurers, the critical issue is to appropriately reflect the presentation of current value changes in performance reporting in order to make insurers' financial position and performance comprehensible to investors.

In order to achieve a robust basis for accounting for the diversity of insurance products, further fine-tuning of the current proposals are necessary. Especially, the participating business requires appropriate and operational solutions.

The Insurance Contracts Project and the interrelated Financial Instruments Project are of crucial importance to the insurance industry. The key challenge for the IASB is to ensure appropriate and transparent presentation of the insurance business models which are inherently long-term oriented.

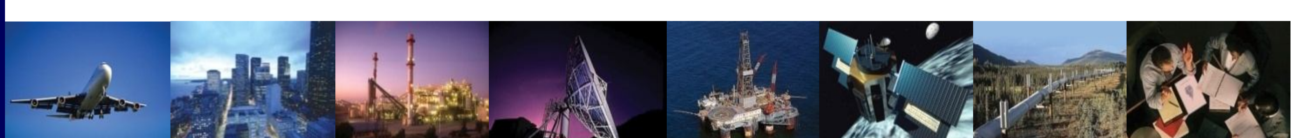
ETHIOPIAN VOLCANOES

Images taken from space satellite radar have indicated that some of the world's unmonitored volcanoes may not be as peaceful as we might like to think. The surfaces of a number of volcanoes within the East African Rift are deforming – inflating and deflating.

Deformations such as these are typically attributed to magma accumulating and moving underground. They are often interpreted as pre-eruptive activity.

Alutu and Corbetti had the biggest deformation signals.

A better understanding of the geophysical processes underlying these volcanoes will help evaluate risk and inform monitoring efforts. It could also benefit the geothermal industry, as drilling activities are expected to begin on both Alutu and Corbetti within the next year.



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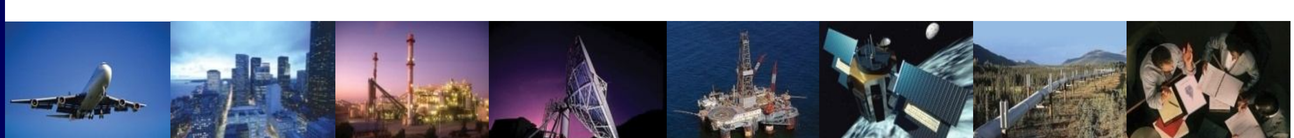
WELCOME TO NRIs

Non-Resident Indians (NRIs) can now buy insurance policies of Indian Insurers abroad as the Insurance Regulatory and Development Authority (IRDA) of India has allowed Indian Life and Non-Life Insurers and even Reinsurer to open Insurance Company/Branch overseas. This will open new vistas for Indian Insurers and give NRIs an option to avail insurance coverages from an Indian Insurer that suits their requirements.

The IRDA has specified requisite norms for the same including that a registered Indian Insurer that wants to start foreign operations should have minimum three years of operations record in India.

Currently, only Branches of Life Insurance Corporation of India (LIC) operate abroad. In the Non-Life space, public sector National Insurance Co. Ltd., The New India Assurance Co. Ltd. and The Oriental Insurance Co. Ltd. are underwriting business outside India.



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NON LIFE

"UTTARAKHAND" FLOODS

Thousands of soldiers battled during last fortnight to reach villages and towns cut off by flash floods and landslides in India's north. Helicopters and close to 10,000 soldiers were deployed to reach tourists and pilgrims stranded after floods caused by torrential monsoon rains hit the Himalayan state of Uttarakhand. The soldiers mobilised to provide leadership, medical, air and engineer efforts. Houses, buildings and vehicles collapsed or were swept away by flooding rivers and landslides, while bridges and narrow roads were destroyed, leaving some 65,000 people stranded mainly at remote pilgrimage sites. Torrential rains four and a half times as heavy as usual have hit Uttarakhand, known as the "Land of the Gods", where Hindu shrines and temples built high in the mountains attract many pilgrims from India and abroad. More than 1,000 people died as unattended and decomposed bodies were scattered all around.

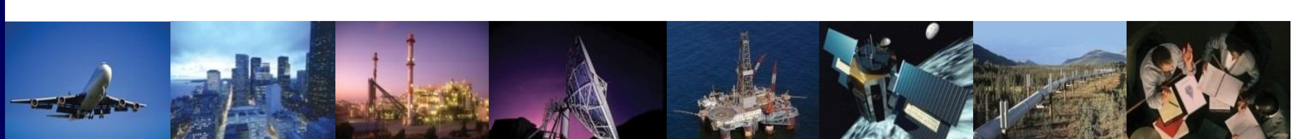
Uttarakhand floods in the last fortnight has also got insurers preparing for the claim settlement process. Both life and general insurers have said that their respective claims teams have started gearing up to handle claims and process them in a quicker manner. The industry is trying to procure more information on the nature of losses.

Individual claims are expected in Personal Accident, Workmen's Compensation, Health, Travel, Life, Motor Vehicle and Property (Hotels, Shops, Buildings/Structures, Stocks/Stores and Residences). Insurers perceive that while the corporate presence in the areas damaged by floods and landslides is low, industrial claims are expected majorly from power generation sector – Property, Business Interruption and All Risks Insurances.

Insurance claims may exceed INR 35 billion (USD 584 million) – in relative terms that Indian Insurance Industry faced in 2005 due to monstrous floods in Mumbai.

The claims under Agriculture / Crop Insurance are expected to be limited, since the Kharif season has not yet started.

For settlement of insurance claims, surveyors and loss assessors are appointed by insurers to identify the magnitude of the damage and amount of loss. In case of a death of an individual, in normal circumstances, claims are payable only after the body is recovered and a Death Certificate is issued by a certified doctor.



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Catastrophe Insurance is not mandatory in India. Non-life insurers have recently presented a concept paper to the National Disaster Management Authority (NDMA) highlighting the need for a Pool mechanism to deal with losses from catastrophic events.

In India, while there are covers to protect property and life from incidents like fire, floods and earthquake, there is an absence of a 'Natural Catastrophe Cover' to cater to the needs of people. If any such event occurs, both insurers and re-insurers have to make high payouts to cover the losses. A Pool-based concept, which was earlier mooted by Finance Ministry was later also backed by the general insurers. If a pool is formed, on the lines of the terrorism-pool in India, the losses would be distributed evenly. The pool would consist of regular premiums being made by the common citizens, with or without additional government funds infused in it. Indian Insurance Industry discussions are gaining ground to set up a Catastrophe Pool to handle such contingencies due to natural calamities in future.

LIVING WITH FLOODS IN INDIA

It's a story that is repeated every year in India. Floods swept three districts in north-eastern state of Assam in July 2012. Over 1 million people were displaced and the death toll had reached 77. Government of India sanctioned INR 5 billion (USD 84 million) for relief operations. In June 2013, it is the turn of state of Uttarakhand.

According to Central Water Commission, flood is a natural phenomenon. No one should ever attempt to control it. The approach should be how best you live with flood.

The Government of India had earlier experimented with a Scheme titled "Living With Flood" under which a number of raised platforms fitted with basic amenities – drinking water, sanitation, health care – were constructed across flood-prone states in the late 1990s.

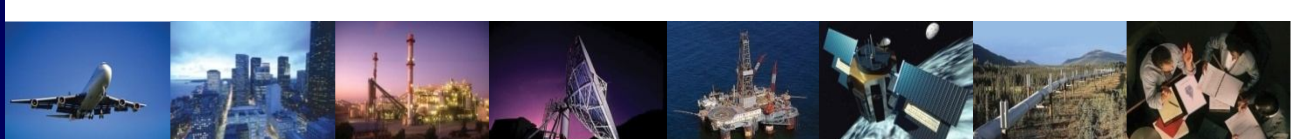
[Data of 2012]

(1) Flood Prone Areas & Impact -
45 million hectares – Equivalent to 30 million cricket grounds of the size of Lords.

(2) Annual Damage -
INR 18.24 billion (USD 304 million)

(3) Loss of Human Lives -
1,600 per year
(Average between 1953 and 2009)

(4) 11,316 people lost their lives in 1997, the highest in a single year.



(5) Damage to Crops -
INR 7 billion (USD 117 million)

(6) Houses Damaged -
1.2 million a year
(Average between 1953 and 2009)

(7) Flood Management entails a huge cost to the exchequer -
INR 500 billion (USD 8.33 billion)
Projected outlay for managing flood in 12th Plan as demanded by Water Resources Ministry.

(8) INR 100 billion (USD 1.66 billion) -

Total amount spent on managing flood by Government of India between 2007-12. The amount incurred for relief, rehabilitation and expenses by State Governments is additional.

(9) Flood Forecasting -

It gives an idea of level of water-flow and inflow of water in a river.

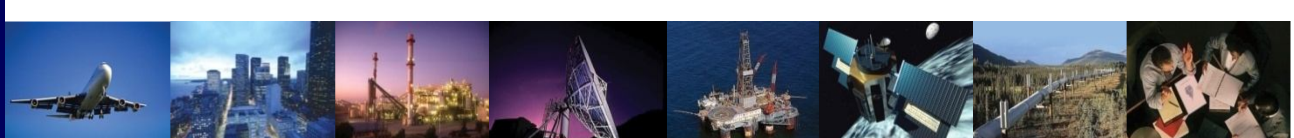
175 – Flood Forecasting Stations in India
140 – New Flood Forecasting Stations likely in 12th Plan.
6,000 - Average number of flood forecasts issued per year.
98% - Accuracy in flood forecasting as claimed by Central Water Commission.

Beyond Borders

China shares hydrological information in rivers Yaluzangbu (Brahmaputra) and Langquinzangbu (Sutlej) during monsoon. Five Indian flood forecasting stations get the data.

“Flood is like mercury at 40 degrees in Delhi summer. You can take precautions, but you cannot get rid of it.”- Central Water Commission.

***Sources**: Planning Commission, Ministry of Water Resources, Central Water Commission, The Economic Times (Weather Report Magazine - July 2012).*



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PREVENTIVE MEASURES TO MITIGATE FLOOD LOSS FOR PROPERTY

Flood loss scenario seems to be spiraling upward at an increasingly high rate. Factors contributing to this are climate change, modification of landscape, settlement in areas near to water bodies, higher vulnerability and lack of risk awareness amongst property owners.

1.**Site Selection**

Better site selecting is far easier to implement than designing a facility located in a flood prone area from getting flooded.

2. **Construction**

Elevate the building such that it is higher than the highest predicted flood level for a 250 year flood return period. Where elevation is difficult, identify the flood prone buildings/areas and minimize flood impact through design and higher plinth heights.

3. **Drainage**

Ensure water runoff originating from off-site areas is included in the facility's site water management plan. Use grates, trash racks to protect inlet to all drains & storm-water drainage systems against debris blockage. Never use wood chips, pine needles as these will be displaced by rain water.

4. **Inspection and Maintenance**

Maintain roof anchors to help prevent collapse or "blow off" of roof due to strong winds. Clean roof drains, internal/external drainages, before/during monsoons. Check for broken glass panes to prevent possible water entry through openings. Maintain all de-watering pumps to ensure that they are fit for operation during an emergency.

5. **Engineering Controls**

Flood gates, stop logs, water barrier tubes are measures that help prevent water entry. Protecting door openings of flood prone areas with raised sills helps control flooding. Sandbags can be used as an emergency stop gap measure.

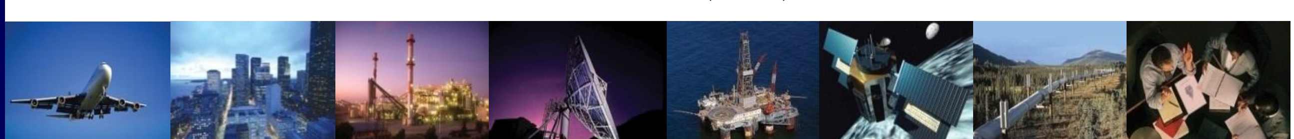
6. **Loss Prevention**

In the event of imminent flooding, shift valuable stock/property to higher floors, elevated locations, or safer places. Switch off/disconnect power supply to prevent short circuits.

7. **Fire Protection**

A plan to put fire protection systems into service promptly after the incident should be in place. Examine the fire pump water source (particularly for open bodies of water) to ensure debris are not clogging the suction lines of the fire pump.

***Source*: Bharti AXA General Insurance Co. Ltd. (India)**



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LIFE

AVERAGE ANNUAL LIFE INSURANCE PREMIUM INR 13,000/=

Average Life Insurance Premium in India still stands at INR 13,000/= (USD 217) annually according to the IRDA.

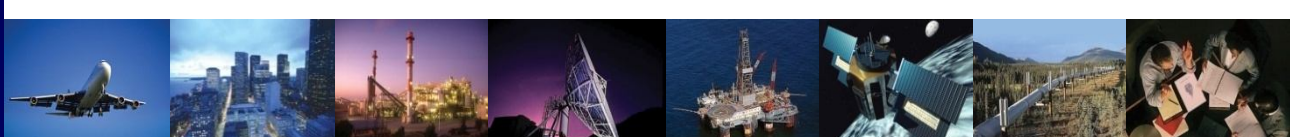
The IRDA perceives that there has been a 15-16 % decrease in new premiums for individual segment in the last two years. Life insurers would have seen a further de-growth in new premiums, had there not been group business. In fact, group accounts for about 42% of new premiums. While commission expenses, on an average, was up by 7%, new premiums were down by 7%.

FINANCIAL INCLUSION OF POOR

With insurance penetration at a low 4.1% and 0.7% for the life and non-life sectors respectively, Mr T. S. Vijayan, Chairman, IRDA has called for the financial inclusion of all sections of the Indian population by making insurance products available to lower income groups at an affordable price. Speaking at a one-day Seminar on Financial Inclusion organised by the National Insurance Academy in Pune recently, Mr. Vijayan called for an increased focus by insurers on making affordable insurance cover available to people from the weaker sections of Indian society.

"In order to build a strong system, the industry must focus on improving persistent communication tools, improving premium policy renewal options, fostering long term distribution partner relations, optimum use of technology for providing services apart from using brick-and-mortar structures. Thereby ensuring all financial needs can be addressed at one place," said Mr. Vijayan.

The Seminar was conceived as a result of Indian Finance Minister, Mr P. Chidambaram’s Budget Speech in February 2013 that called for setting up public sector insurance offices in all towns of India, which have a population of 10,000 or more.



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J. B. BODA NEWS

AWARD

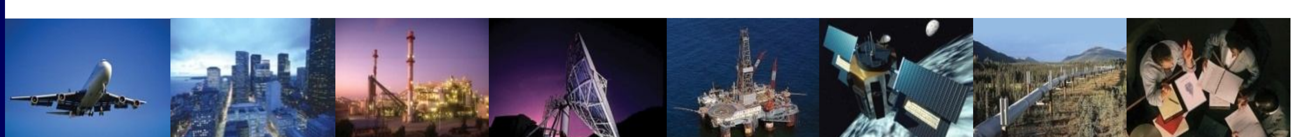
On 21st June 2013, at a glittering ceremonious Function held in Trident Hotel, Mumbai, India, Mr. Rohit A. Boda received on behalf of J. B. BODA Insurance Brokers Pvt. Ltd., **“Outstanding Contribution to Business”** Award for FY 2012-13 (April-March) from Bajaj Allianz General Insurance Company Limited (India).

MORE LIFE IN ‘LIFE’

Mr. Anand K. Kulkarni has joined J. B. BODA & Company Pvt. Ltd., Mumbai, India as Consultant in Life & Employee Benefit Schemes (EBS) Vertical. He is a Science Graduate with Post-graduation in Financial Advising. His past role entails as Development Officer in Life Insurance Corporation of India (LIC), Mumbai for 20 years and thence Territory Manager with HDFC Standard Life Insurance Co. Ltd., Mumbai Training is his passion and he is a Guest Faculty with some leading Management Institutes in Mumbai. He is also Associate Life and Executive Power Coach PCMK Canada, HLP Trained by Dick McHugh.

ACADEMIA

Mr. Kailas V. Pathak has joined J. B. BODA Academy (A Division of J. B. BODA & Company Pvt. Ltd.), Mumbai as Principal. He is a Law Graduate with specialization in Employee Empowerment and Welfare. He has served various Departments during 36 years service in General Insurance Industry including the tenure as Chief Vigilance Officer in The New India Assurance Co. Ltd.. He was instrumental in training number of students who opted for Insurance Stream at 10 + 2 level and Officers for Qualifying Examination of Promotion in GIPSA Member Companies.



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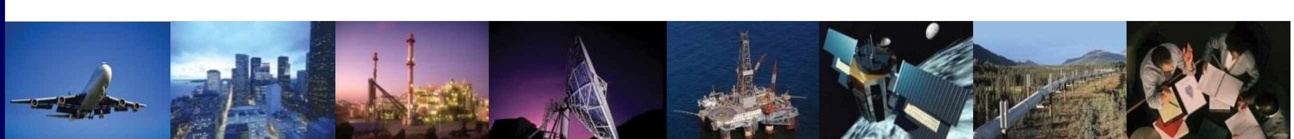

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